

OSS, CIA and European Unity: The American Committee on United Europe, 1948–60

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During the last ten years, diplomatic historians have attached growing significance to intelligence, and the related subject of covert operations, as increasingly important to an understanding of the early Cold War.¹ After 1945, a variety of Western organizations, not just intelligence agencies, drew up programmes of covert operations designed both to undermine Communist influence in Europe and to ensure a welcome for the Marshall Plan. Examples have been documented in the fields of electoral politics, organized labour and cultural affairs. US officials trying to rebuild and stabilize postwar Europe worked from the assumption that it required rapid unification, perhaps leading to a United States of Europe. The encouragement of European unification, one of the most consistent components of Harry S. Truman's foreign policy, was even more strongly emphasized under his successor General Dwight D. Eisenhower. Moreover, under both Truman and Eisenhower, US policymakers conceived of European unification not only as an important end in itself, but also as a way to solve the German problem.² The use of covert operations for the specific promotion of European unity has attracted little scholarly attention and remains poorly understood.

One of the most interesting US covert operations in postwar Europe was the funding of the European Movement. The European Movement was an umbrella organization which led a prestigious, if disparate, group of organizations urging rapid unification in Europe, focusing their efforts upon the Council of Europe, and counting Winston Churchill, Paul-Henri Spaak, Konrad Adenauer, Léon Blum and Alcide de Gasperi as its five Presidents of Honour. In 1948, its

main handicap was the scarcity of funds. It will be argued here that the discreet injection of over three million dollars between 1949 and 1960, mostly from US government sources, was central to efforts to drum up mass support for the Schuman Plan, the European Defence Community and a European Assembly with sovereign powers. This covert contribution never formed less than half the European Movement's budget and, after 1952, probably two-thirds. Simultaneously they sought to undermine the staunch resistance of the British Labour government to federalist ideas.³

This essay concentrates on the US dimension of these activities.⁴ The conduit for American assistance was the American Committee on United Europe (ACUE), directed by senior figures from the American intelligence community. This body was organized in the early Summer of 1948 by Allen Welsh Dulles, then heading a committee reviewing the organization of the Central Intelligence Agency (CIA) on behalf of the National Security Council (NSC), and also by William J. Donovan, former head of the wartime Office of Strategic Services (OSS). They were responding to separate requests for assistance from Count Richard Coudenhove-Kalergi, a veteran Pan-European campaigner from Austria, and from Churchill. ACUE worked closely with US government officials, particularly those in the Economic Cooperation Administration (ECA) and also with the National Committee for a Free Europe.

The propositions advanced in this essay draw primarily upon collections of private papers deposited in Britain and the United States, including the records of ACUE itself. However, they receive crucial support from a doctoral thesis on the early European Movement completed by F.X. Rebattet at the University of Oxford in 1962, but only opened to public inspection in the early 1990s. F.X. Rebattet was the son of the Secretary-General of the European Movement, and his study was conducted with full access to the internal papers of the European Movement and the cooperation of its senior figures. While based on archives located in Belgium rather than Britain and the United States, Rebattet's work confirms the findings of this essay, and is remarkable for its frankness on the issue of covert American funding.⁵

Although the work of ACUE prompts immediate and specific questions about the role of US aid in stimulating popular federalism

in postwar Europe, it is important not to lose sight of the broader conclusions concerning the nature of American intervention in Europe that can be drawn from this episode. The origins of this programme lay less in the formal provisions of NSC directives, to which intelligence historians have attached much importance, and more in an informal and personal transatlantic network created by members of the intelligence and resistance community during the Second World War. Much US aid to non-Communist groups in Europe was sent until 1950 through unofficial channels, though with government approval and support.⁶

ACUE typifies the philosophy underpinning many such covert operations. It made no attempt to manipulate organizations or individuals. Instead, it sought genuinely independent vehicles that seemed complementary to American policy, and tried to speed them up. The history of ACUE shows us prominent European politicians in search of discreet American assistance, rather than the CIA in search of proxies. This, together with the common observation that many Europeans in receipt of covert assistance belonged to the non-Communist left, confirms Peter Coleman's adept characterization of these activities in Europe as a 'Liberal Conspiracy'.⁷

Many Americans working for ACUE were either themselves determined federalists with an interest in the United Nations or else viewed American federalism as an ideal political model which could be deployed elsewhere. ACUE believed that the United States had a wealth of experience to offer in the field of cultural assimilation. Accordingly, the history of ACUE can also be interpreted as part of what the late Christopher Thorne termed America as an 'idea nation', exporting its values and political culture. It is also particularly striking that the same small band of senior officials, many of them from the Western intelligence community, were central in supporting the three most important transnational elite groups emerging in the 1950s: the European Movement, the Bilderberg Group and Jean Monnet's Action Committee for a United States of Europe. Finally, at a time when some British antifederalists saw a continued 'special relationship' with the United States as an alternative to (perhaps even a refuge from) European federalism, it is ironic that some European federalist initiatives should have been sustained with American support.⁸

US Covert Operations in Europe

Any analysis of the ACUE must be set in the context of a broader programme of US covert operations in Europe. Between 1948 and 1950 this expanded rapidly, partly in response to pressure from senior State Department officials such as George Kennan, Head of the Policy Planning Staff. On 6 January 1949, Kennan wrote to Frank Wisner of the Office of Policy Coordination (OPC), the official responsible, that the operations planned for 1949–50 met only the minimum requirement. 'As the international situation develops, every day makes more evident the importance of the role which will have to be played by covert operations if our national interests are to be adequately protected.' Responsibility for the direction of US covert operations before 1950 is difficult to locate and was problematic at the time. Immediately after the war such activities were carried out by a curious array of private bodies and also military organizations that had absorbed some remnants of the wartime OSS. After June 1948, however, such activities were theoretically superintended by Frank Wisner's OPC, set up as a result of directive NSC 10/2, which called for covert operations which 'if uncovered the United States Government can plausibly disclaim any responsibility for them'.¹⁰ Although OPC came under the administrative umbrella of the CIA, it took its orders from the State Department and the NSC, because NSC 10/2 had laid down that although the State Department would take no responsibility for OPC operations, nevertheless, State should 'maintain a firm guiding hand'.¹¹ Here was a recipe for infighting and confusion, as one OPC official remarked: 'Divided or part authority never works. No person or agency can at the same time serve God (NSC), Mammon (State) and an Administrative and Financial Overlord (only), which the Director of CIA now is.' In 1950, the new director of the CIA, Walter Bedell Smith, insisted that OPC be fully integrated with the CIA, a process that turned out to be slow and awkward.¹²

Coordination was further impeded by the small number of State Department officials who were told about covert operations. Even some divisional chiefs lacked a full picture of US activities within their region of responsibility. At one point George Kennan and two other members of the Policy Planning Staff, Maynard Barnes and

John Davies were the only State Department officials permitted 'full knowledge of OPC operations'. When Kennan wished to assign more State Department personnel to the task of coordinating covert operations, he was thwarted at first because he was not allowed to tell the chiefs of the personnel divisions chiefs, who lacked adequate security clearance, what he was doing.¹³

Despite this initial administrative confusion the broad objectives of American operations in postwar Europe are now clear. They fall into five categories. First, political parties, often of the non-Communist left and centre, were subsidized. During the Italian election of 1948, for example, various political groups were paid millions of dollars, which helped to revitalize the hitherto listless campaign of the future Prime Minister, de Gasperi.¹⁴ Second, in the struggle for control of international labour organizations and for the unions of Italy and France, American and European trade unionists helped to undermine the Soviet-controlled World Federation of Trade Unions. Staunchly anti-Communist members of the American Federation of Labour (AFL), led by David Dubinsky, Jay Lovestone and Irving Brown, were often more zealous than government agencies thought wise.¹⁵

Third, the United States attempted to influence cultural and intellectual trends in Europe, funding a variety of groups, conferences and publications. This reflected the presumption that intellectuals were significant opinion formers in continental Europe. This was undertaken in direct competition with Soviet funding, developing into a 'battle of the festivals'. The best documented examples are the Congress for Cultural Freedom and the magazine *Encounter*, to which luminaries such as Raymond Aron, Stephen Spender and Arthur Koestler contributed.

In an important change of policy, many cultural activities were placed in the Spring of 1951 under a new department of the CIA, the International Organizations Division.¹⁶ The use of private organizations had been gathering pace since 1947, encouraged by Allen Dulles, a keen enthusiast for covert operations, who had also employed his position as Chairman of the Council of Foreign Relations to seek the help of US foundations with projects such as a proposed 'beachhead' university for European exiles at Strasbourg. However, by late 1950, when Dulles exchanged his informal NSC

consultancy role for a senior post within the CIA, he discovered that operations with youth groups, trade unions and cultural organizations lacked coherence and were fragmented, being dispersed untidily across geographically organized sections. In the words of one CIA official, this area was an 'operational junk heap'. The International Organizations Division was proposed by Dulles's Special Assistant, Thomas W. Braden, to superintend all such work. Though controversial, with Bedell Smith's support the proposal was pushed through and Braden headed this division until replaced by Cord Meyer in 1954. The work done by Braden, Dulles and Bedell Smith as Directors of ACUE went hand-in-hand with their administrative reorganization of the CIA and the development of controversial new programmes that would eventually have repercussions inside the United States as well as in Europe.¹⁷

Braden's International Organizations Division was also involved in the fourth type of US covert operation – provoking dissonance in the satellite states. This effort was channelled through the National Committee for a Free Europe, later known as the Free Europe Committee, which controlled Radio Free Europe and Radio Liberty. Much of the work, done with the help of irascible exile groups under the Assembly of Captive European Nations (ACEN), was coordinated by the CIA's burgeoning Munich station, which also gave aid to resistance groups within eastern Europe. Lastly, OPC and then the CIA, created stay-behind or GLADIO networks designed to offer resistance, and trained displaced persons from eastern Europe as special forces, against the possibility of a Soviet incursion into western Europe. This programme was very active in the period 1948–49, when some in the US intelligence community believed that war might be only six months away.¹⁸ Of these complementary programmes, the attempt to promote European federalism remains the least fully explored.

Churchill, Donovan and Dulles

The origins of covert aid to European federalists may be traced back to Coudenhove-Kalergi. Like other prominent pan-Europeanists of the interwar period, typically Aristide Briand the French Foreign Minister, his ideas owed much to disillusionment caused by the First

World War. Exiled to the United States in 1943, in March 1947, on the eve of the Marshall Plan address, he was successfully lobbying US Senators J.W. Fulbright and E.D. Thomas for congressional support for the idea of European unity and succeeded in having motions passed in favour of a 'United States of Europe' in the Senate and in the House of Representatives. Allen Dulles and William J. Donovan, who had joined Coudenhove-Kalergi's campaign for American support in 1947, now came together to create the short-lived Committee for a Free and United Europe designed to publicize European unity in the United States and to offer support to federalist groups in Europe. This was formally founded on 19 April 1948 with Senator Fulbright as its chairman and the William Bullitt, former ambassador to France, as its vice-chairman. But this committee was to enjoy little more than a paper existence.¹⁹

Also in the summer of 1948 a rival group, the more prestigious International Executive of the European Movement, closely associated with Winston Churchill, arrived in New York to urge the formation of an American committee to support their own efforts for unification. This mission was led by the president of the European Movement's international executive, Duncan Sandys, and included its Secretary-General, Joseph H. Retinger and the head of the European Movement's finance sub-committee, Major Edward Berrington-Behrens.²⁰ To avoid the embarrassment of two American committees supporting rival groups, Count Coudenhove-Kalergi, who had revealed himself as a rather prickly and awkward character, was sidelined amid much bitter recrimination. A new body, the American Committee on United Europe (ACUE) was formed to support Churchill and the European Movement. Although Churchill was now only leader of the opposition in Britain, he remained the most prestigious of European statesmen.²¹

Moreover, Churchill was effectively the founder of the European Movement. As early as 21 March 1943 he offered his vision of a United Europe in a broadcast speech:

One can imagine that under a world institution embodying or representing the United Nations, and some day all nations, there should come into being a Council of Europe and a Council of Asia ... We must try to make the Council of Europe

... into a really effective League with all the strongest forces concerned woven into its texture, with a High Court to adjust disputes and with forces, armed forces, national or international or both, held ready to impose these decisions and prevent renewed aggression and the preparation of future wars.²²

By November 1945, Churchill was speaking of a 'United States of Europe'.²³ Although personally more enthusiastic about Franco-German reconciliation than European unity, nevertheless he had been the central figure at a major congress of federalist groups held at the Hague in May 1948 which called for a European parliament with effective powers over political union. Free of governmental responsibilities, Churchill had more time for such work and there was no doubt that his group was the more promising candidate for US support.

The European Movement tried, somewhat uncertainly, to focus and coordinate the efforts of prounity groups throughout Europe. Though numerous, their approaches were so diverse that it remains difficult to gauge the extent of their popular support. It was probably strongest in France where, by 1949, the Quai d'Orsay, which initially had no interest in European unity, was forced to pay more it attention 'partly as a response to growing public demand'. The French Prime Minister, George Bidault, and senior French officials decided that the idea of a European Assembly was 'growing in popularity' partly because federalism seemed to offer a solution to the German problem. By contrast, federalism enjoyed little popular support in Britain. Although the ideas of interwar 'British Federal Union', supported by prominent figures such as Lord Lothian, influenced an entire generation of Europeans, its membership was small. Meanwhile the new Labour government remained wary of federalist initiatives.

The European Movement focused its hopes upon the European Assembly at Strasbourg, which grew out of the Brussels Treaty of 17 March 1948. In late October 1948 the Brussels Treaty powers decided to establish a Council of Europe, consisting of a Council of Ministers and an advisory European Assembly which, in practice, served as an irregular conference of national delegations. This decision was confirmed at a meeting of foreign ministers in London where the Statute of the Council of Europe was signed as the Treaty

of Westminster on 5 May 1949. In August 1949 the Assembly of the Council of Europe held its first session at Strasbourg.²⁴

The ACUE and its short-lived predecessor were only two of many 'American' and 'Free' committees established during 1948 and 1949. Well-documented examples include the National Committee for a Free Europe (later the Free Europe Committee) and the Free Asia Committee (later the Asia Foundation). The Free Europe Committee, formed in 1948 by the retired diplomat Joseph E. Grew at Kennan's request, worked closely with the CIA to maintain contact between exile groups in the West and the Eastern bloc. Their campaign 'to keep alive the hope of liberation in Eastern Europe', was launched publicly in 1949 by the recently retired American military governor in Germany, General Lucius D. Clay.²⁵ The initial membership included many senior government figures such as the former Assistant Secretary of State, Adolphe Berle, Allen Dulles and ex-OSS personnel such as Frederic R. Dolbeare. The Free Europe Committee purported to draw its resources from private subscriptions and various foundations, but in reality the majority of its funds came from the US government through channels managed by the CIA.²⁶ Parallel committees were simultaneously formed to address Cold War or reconstruction themes. Donovan had already joined with Berle to found the Committee for Social and Economic Development in Italy, to combine aid to the poorer south with a pro-American stance and support for the government. Meanwhile, Dulles had founded the American Committee on Germany. Both he and Donovan were worried by the accelerating European Cold War and as early as 1947 Donovan toured Europe to examine Communist penetration of labour movements, while Allen Dulles wrote a detailed study in support of the Marshall Plan.²⁷

Senior figures from the US intelligence community provided the leadership of ACUE during its first three years. The chairman was Donovan who, despite the demise of OSS, was not in retirement, and continued to work for the CIA as late as 1955.²⁸ The vice-chairman was Allen Dulles and day-to-day ACUE administration was controlled by Thomas W. Braden, the executive director, who had also served in OSS. Braden formally joined the CIA as special assistant to Allen Dulles in late 1950. Donovan and Allen Dulles were well known for their work in espionage, which was likely to prompt awkward

questions about the nature of ACUE. Accordingly, in turn, during the early 1950s, Dulles, Braden and finally Donovan were succeeded by less well known figures.²⁹

The structure of the ACUE resembled that of the Free Europe Committee, with which it shared members. Officially incorporated in February 1949, the ACUE Board of Directors was drawn from four main groups: senior figures from government, such as Clay, Bedell Smith, the Secretary of State for War Robert T. Paterson, and the Director of the Budget James E. Webb; ECA personnel and other officials responsible for formulating US policy in Europe, including the ECA administrator Paul Hoffman, deputy ECA administrators Howard Bruce and William C. Foster, and the US representative on the North Atlantic Council Charles M. Spofford; prominent politicians, financiers and lawyers including Herbert H. Lehman, Charles R. Hook and Conrad N. Hilton; and AFL-CIO figures already involved in the politics of labour movements, notably Arthur Goldberg, now chief counsel for the CIO, who had run the OSS Labour Desk, and the prominent unionists, David Dubinsky and Jay Lovestone.³⁰

The ACUE's primary function was to fund unofficial groups working for unity, many of which originated in, or drew their members from, wartime resistance groups with whom Donovan and Dulles had worked previously. Its directors emphasized the recent achievements of the Organization for European Economic Co-operation (OEEC), they saw this and future political unity as providing 'the sinews of real strength' for a NATO organization. By 1950 they claimed (with some hyperbole) that recent proposals for a European Defence Community were 'at the heart of NATO military arrangements'.³¹ The assumption which underpinned much ACUE thinking was that unification would resolve the old problems of European nationalism, reconciling the French and others to the harnessing of German military power. Donovan, in particular, favoured the Schuman Plan, a scheme to integrate heavy industry in France and Germany, for these reasons.³² Strict criteria were set out for the receipt of subsidies: programmes had to be 'concrete' and the groups supported had to believe in a rapid rather than a gradual approach to western European integration; including support for: (a) the strengthening of the Council of Europe by gaining greater political authority, (b) the early realization of the basic aims of the

Marshall Plan, the Mutual Security Act and the North Atlantic Security Organization. Programmes receiving support also had to favour the inclusion of Western Germany within a unified Europe and have the potential to influence a substantial segment of opinion in Europe. Lastly, their work 'must not be in opposition to the foreign policy of the United States'. The ACUE's secondary objectives, entirely overt, included publicizing European unity within the United States, lobbying Congress on European issues and sponsoring scholarly research on federalism. This open work allowed ACUE to maintain a public existence with offices in New York.³³

Despite the existence of this well-organized US apparatus, it was competing groups of Europeans actively seeking discreet American support, who set its agenda. The European Movement had told the ACUE in no uncertain terms that it wanted 'moral support and money'. In March 1949 Churchill visited New York to discuss final details with Donovan and Dulles and also to attend the formal launch of ACUE which took the form of a public lunch in his honour. He followed this up by writing to ask him on 4 June what short-term funds ACUE could provide.³⁴ In practice, control of the money soon passed to Duncan Sandys, Churchill's son-in-law and president of the international executive of the European Movement. On 24 June, Sandys wrote to Donovan confidentially setting out its requirements. The European Movement, nearly bankrupt, needed £80,000 to survive the next six months.

Cord Meyer, who joined Braden's International Organizations Division in 1951, recalls that the

European political and cultural leaders who solicited our aid ... made it a condition that there be no publicity, since the Communist propaganda machine could exploit any overt evidence of official American support as proof that they were puppets of the American imperialists.

Therefore, while Sandys pleaded for 'a really large contribution from America', at the same time he was 'very anxious that American financial support for the European Movement should not be known', even to the International Council of the Movement, to avoid charges of 'American intervention'.³⁵ Sandys and the ACUE feared Soviet charges of US capitalist imperialism.

Churchill, at once the most prominent advocate of European unity and the best known transatlantic evangelist, was the vital link between ACUE and the European Movement. He enjoyed unrivalled personal contacts with American and European leaders; his fascination with intelligence and subversion kept him in touch with practitioners on both sides of the Atlantic; and he shared the view of Allen Dulles and Donovan that the promotion of European unity through ACUE was the 'unofficial counterpart' to the Marshall Plan.³⁶ In 1949, Churchill also subscribed to the wider objectives of the various freedom committees in eastern Europe. ACUE and the European Movement should join hands with the Free Europe Committee because European unity implied nothing less than the liberation of eastern Europe. In his speech at the formal launch of ACUE in New York on 29 March 1949, Churchill stated:

There can be no permanent peace while ten capitals of Eastern Europe are in the hands of the Soviet Communist Government. We have our relations with these nations behind the iron curtain. They send their delegates to our meetings and we know their feelings and how gladly they would be incorporated in the new United Europe ... We therefore take in our aim and ideal, nothing less than the union of Europe as a whole.³⁷

The delegates to whom Churchill referred were primarily from the Assembly of Captive European Nations (ACEN), seen in 1949 as expressing a link between European unity and liberation, however distant.³⁸ During conversation in 1949 with William Hayter, the chairman of the UK Joint Intelligence Committee in London, Kennan stated that although neither eastern Europe, nor indeed Britain, might join a federal Europe in the short term, nevertheless, in the long term Europe could only move towards federalism, or unification 'Phase Two', once an over-extended Soviet Union had withdrawn to her own borders.³⁹

Stabilizing the European Movement

Paradoxically, while the scale of ACUE support for activities in Europe only reached its zenith after 1952, it had its greatest influence three years earlier. In 1949 and 1950, it saved the European

Movement from financial collapse during the first meetings of the Consultative Assembly of the Council of Europe at Strasbourg. Despite the substantial financial aid given by the ACUE in 1949, Braden returned from Europe in early 1950 to report that, once again, 'the Movement is very low on funds'. The ACUE had supported conferences held at Brussels in February 1949 and at Westminster in April 1949 which had laid the foundations for the Council of Europe, and was paying part of the costs of the European Movement's secretariat and administration. This strained the ACUE's resources at a time when it was relying partly on private donations.⁴⁰

In 1950 ACUE also helped to resolve awkward leadership problems in Europe. In the early summer, following talks with leaders of the European Movement, including Spaak and the Belgian Foreign Minister Paul van Zeeland, Braden and Donovan concluded, rather prematurely, that Europe was on the brink of federation. They believed that if those who were taking the lead received substantial support immediately, enormous progress would be made during the next year. At the same time, they perceived a seemingly immovable obstacle, the growing resistance of the British to a federal Europe. The British Labour government, while not anti-Europe, preferred intergovernmental cooperation by independent states and fiercely resisted any diminution of sovereignty. The British Foreign Secretary, Ernest Bevin, had played a key role in emasculating the Council of Europe at Strasbourg.⁴¹

British resistance increased in late 1949 and early 1950 as the president of the European Movement itself, Duncan Sandys, working closely with Churchill, sensed that the European Movement was moving much faster than they, the British Conservative Party, wished. Although Sandys had previously made speeches with strong federalist overtones, calling for 'a United States of Europe' at Brussels as early as November 1945, neither had clearly thought out the implications for British foreign policy. The Sandys leadership was now uncomfortable and dragged its feet. The resulting dissonance had material effects upon the fortunes of the European Movement, for it was these increasingly open disputes that had dissuaded the Swiss from providing further funding as early as 1948. By early 1950 the European Movement, always a somewhat fragmented body, was close to disintegration, with the influential French-based European Union

of Federalists withdrawing from the international executive of the European Movement in protest.⁴²

In June 1950, the ACUE had abruptly refused to continue funding the discordant European Movement, sending Donovan and Braden back to Europe on a mission to find out what was going on.⁴³ Braden confirmed that the European Movement was torn between its British and continental leadership: increasingly anti-federalist statements by the British government had forced the hand of Spaak and the continental federalists. Spaak confided that he had been reluctant to pursue rapid continental federalism in the absence of British support on account of the close relationship between London and Washington. If the US would back him, however, he would press ahead without Britain, knowing that 'Britain will be forced sooner or later and in a greater or lesser degree to come along'. Braden warned the directors of ACUE unless they backed the continental federalists then inevitably 'leadership on the continent will go to British Labour' with dire consequences for unification. Once promised more ACUE support by Braden in June, Spaak was willing to take over the leadership of the European Movement.⁴⁴

In the event Sandys offered little resistance. During late 1949 and early 1950 Sandys had struggled with increasing difficulty to find a compromise formula that would embrace both the reticence of the British and Scandinavian elements and the federalist position taken by the likes of Henry Frenay, chairman of the European Union of Federalists. Matters had reached a clear *impasse* as early as 16 December 1949 at an *ad hoc* meeting of the leadership of the European Movement when two compromise declarations had been discussed at length but eventually rejected. The Secretary-General of the European Movement, Joseph Retinger had been suggesting that Sandys resign since March 1950, but in the months that followed increasing pressure made this development inevitable. In a letter to Sandys, Retinger put the case for his departure frankly: 'The various Movements composing the European Movement are looking with increasing suspicion on your activities; our American friends do not agree with your tactics.' In July 1950, shortly after the Braden-Donovan mission, Sandys departed and Spaak's federalist element now took control.⁴⁵ Although not overtly addressed in the correspondence relating to the departure of Sandys, financial matters had clearly constituted an additional area of

confrontation amongst leading members of the European Movement. Rebattet's remarkable study suggests that the whole financial structure under Sandys was 'very unorthodox'. Throughout 1949, strong attacks were made against Sandys on the nature of some of the expenses incurred and 'a certain squandering of funds'. In 1950, 'a very bad financial situation' was bequeathed to Spaak and arguments developed as to the distribution of new tranches of funding that were beginning to arrive from the United States.⁴⁶ The ACUE now played a significant role. Under Spaak, with the support of the European Union of Federalists and finance from ACUE, the international secretariat of the European Movement was transferred from London and Paris to Brussels.⁴⁷

The reorganization of the European Movement fitted in with the State Department's unsuccessful bid of October 1949 to install Spaak as director-general at the helm of the OEEC. In John Gillingham's words, the 'American choice for "Mr Europe" was ... Paul-Henri Spaak', but British 'foot-dragging' and hostility prevented his appointment.⁴⁸ Spaak's leadership was expected to transform the nature of the European Movement. An 'efficient and adequately staffed secretariat' was set up in Brussels, with experienced national representatives, including George Rebattet, former secretary of the French Maquis and Léon Radfoux, Spaak's former *Chef de Cabinet*. The primary objective of this new secretariat was to generate a popular groundswell of support for federalism through the 'initiation of major propaganda campaigns in all countries' including a united Europe week, punctuated by speeches from Bidault, Spaak and van Zeeland. Braden reported that the goals were a free trade area with a single currency and free movement of labour, and agreement that recommendations adopted by the consultative assembly of the Council of Europe at Strasbourg should have to be debated in national parliaments.⁴⁹

ACUE and American Foreign Policy

How closely did the ACUE follow mainstream American policy during the period 1949–51? Two problems immediately arise: first, while ACUE records are open to public inspection, the minutes of the committees that coordinated the overt and covert aspects of American

policy remain closed.⁵⁰ Second, although the US administration agreed that a federal Europe was its goal, it was divided over how much pressure to apply. Some parts of the Truman administration were closer to the ACUE than others.

The ACUE followed American policy most closely in its attempts to tie European unity to the cause of east European exile groups and with political warfare designed to create unrest within the satellite states. In May 1950, during the London Tripartite Foreign Ministers Conference, the United States persuaded Britain and France to give the exile groups associate membership of the Council of Europe. A year later the White House endorsed State Department plans to accelerate these efforts. Outlining their proposals in a special guidance paper entitled 'The Concept of Europe', they admitted their concern that the main propaganda effort in the East lacked the 'positive qualities which are necessary to arouse nations'. Several studies had been made in an attempt to find a positive concept and the themes of 'European Unity' and 'Return to Europe' might rectify this problem. Its 'solely European' nature ensured that it could not be 'dismissed as another manoeuvre of "American imperialism"'. Nor could the Soviets appropriate the European idea in the same manner as themes such as 'freedom', 'democracy' and 'peace'. As the Council of Europe had recently adopted a Charter of Human Rights, this offered a particularly choice instrument with which to highlight the more unpleasant aspects of Soviet rule. All this, the State Department hoped, would encourage Eastern bloc populations to stiffen their resistance to Communist domination – 'retard the Sovietization of their minds, especially the minds of their youth' – to which the White House agreed. George M. Elsey, a member of Truman's staff, noted that this was 'going in the right direction ... a good contribution toward the goal we were discussing at noon, namely, a subverting of Iron Curtain countries'.⁵¹

European unity was more divisive, however, when applied to west Europe. While unification was officially a central component of US policy – Congress had stipulated it as a condition of further Marshall Plan aid – senior State Department officials showed, as early as policy planning staff (PPS) meetings in July 1949, a wish to avoid alienating an anti-federalist Britain and the Commonwealth with whom the United States sought to collaborate in other areas of the world.

Kennan was himself sceptical of the value of immediate British participation in a federal Europe, and was anxious to reassure British officials, speaking instead of a long period characterized by some kind of loose 'Atlantic Community'. Kennan added that British objections to any merger of sovereignty with western Europe 'were of such strength that they must be accepted', and that Washington ought not to push her further than she wished to go.

Looking to the long term, however, Kennan was firmly in favour of a federal Europe that would absorb Britain, drawing his inspiration for a future Europe from the American federal model. It 'was clear that eventual union was in his mind' noted one wary British official. Kennan pointed to the painful economic adjustments which Britain would have to make, comparable to those which New England underwent during the expansion of the United States and the probable need for transfers of population. Notwithstanding these long-term federalist speculations, Kennan returned from Europe with a fuller appreciation of the complex problems of the Commonwealth, of sterling and the reluctance of Britain to submerge her identity in a federal Europe.⁵²

ECA officials and indeed Spaak himself constantly urged Washington to apply greater pressure upon Bevin to change his mind about an integrated western Europe. On 19 January 1950, Spaak complained bitterly to Kennan and the Secretary of State, Dean Acheson, of what he saw as Britain's attempts to obstruct both OEEC and the Council of Europe. When Kennan, Paul Nitze of the PPS and Charles Bohlen from the Paris embassy attended a PPS meeting on western Europe a few days later, Nitze summed up the dilemma: although Britain's Commonwealth ties and her fears over sovereignty inclined her against federalism, would a continental federation be strong enough without Britain? The PPS agreed that Bevin had been 'back-sliding' over commitments to OEEC and that this now required action, but there was no agreement on the merger of sovereignty or on Germany. Bohlen, representing American officials based in Paris, including ECA, complained that the United States was reluctant to apply real pressure in London, as they habitually did in Paris, because of the close wartime relationship: the Empire-Commonwealth should be broken up, he argued, allowing Britain to merge with a federal Europe. Kennan replied that the Commonwealth was valuable; in

any case, he could not envisage Britain and Germany working together in the short term. The United States should do no more than try gently to persuade Britain to move towards Europe.⁵³

Thus, in the autumn of 1950, when Donovan, too, attempted to persuade Acheson to push Britain into joining the Schuman Plan, Acheson only agreed to 'appropriately urge' Britain down the federalist road: 'the British themselves must be the judge of whether a step as far as genuine federation with Western Europe would be consistent with their Commonwealth commitments and in the best interests of their people'. Acheson viewed *overt* pressure for federalism as counterproductive, a view that not only reflected PPS discussions during 1949 and 1950, but also prefigured the problems encountered in 1953 when the United States lobbied hard for the proposed European Defence Community.⁵⁴

Acheson's approach dismayed US officials in Europe who had the task of carrying out the agreements on European economic cooperation. The ambassador in Paris, David K. Bruce; the special ECA representative, Averell Harriman; the ECA's counsel, Samuel Katz; and the ambassador in London, Lewis Douglas, all agreed that Britain was their 'big problem'. Harriman was the most vociferous, and meeting with Bruce and John J. McCloy, the US High Commissioner in Germany in January 1950, he explained that he had enough of Bevin and of the British Chancellor of the Exchequer, Sir Stafford Cripps, whom he found 'petulant and arrogant'. 'Harriman was extremely perturbed.' He explained that hitherto he 'had been firm believer in U.S. attitude of persuasion against coercion'. But now he 'felt the US should no longer tolerate interference and sabotage of Western European integration by the United Kingdom ... the Marshall Plan is breaking down because of British opposition'. He added a warning that if British Labour won the forthcoming election of 1950, as seemed likely, they would 'be even more cocky'. 'The U.S. would not stand for this much longer.' At a meeting in March 1950, senior American officials in Europe called for a study of the degree and timing of pressure to be brought to bear on Britain. Nevertheless, Douglas, despite his sceptical view of Labour's programme of social expenditure, warned against acting during the forthcoming British election, noting that Labour might derive advantage from posing as a defender of the Commonwealth against American pressure.⁵⁵

Accordingly, ACUE appears not to have challenged the State Department policy of avoiding open pressure on Britain or indeed on other countries in support of federalism. Nevertheless, Donovan and Braden shared the enthusiasm of the ECA for the ideas of Spaak and rapid federalism, and they decided to work with it more closely. A good example is their 'crisis mission' to Europe in June 1950. Frustrated by Acheson, Donovan met the leadership of ECA in Paris, including Harriman and Katz. Personal connections were important here, as Katz had previously served as a senior officer in the Secret Intelligence branch of OSS, overseeing operations in wartime Europe. Meanwhile David Bruce, the OSS chief of station in wartime London, had been head of ECA in Paris before becoming ambassador.⁵⁶ Nor were these the only ex-OSS officials involved in the promotion of a federalist solution in postwar Europe. They were following in the footsteps of Charles P. Kindleberger and Walt W. Rostow, two OSS economists who, in 1946, had persuaded James Byrnes and Jean Monnet to launch the ill-fated idea of a UN-backed Economic Commission for Europe.⁵⁷ The ECA, delighted to learn of Spaak's forthcoming leadership of the European Movement, offered its own discreet assistance to the European Movement, which had been 'previously withheld because of concern over the leadership'.⁵⁸

The Braden-Donovan mission of June 1950 also helped to confirm the ACUE's view of Britain's Labour Party as the biggest barrier to rapid European federalism in Europe.⁵⁹ This analysis was confirmed by the remarkable attack the British delegation launched upon the French federalists at Strasbourg in the summer of 1950.⁶⁰ ACUE were not mere passive observers of British antifederalism and sought to support federalist dissenters within the British Labour Party, such as the Member of Parliament for Hull North-West, R.W. Mackay, who devised a compromise route to federalism, which became known as the 'Mackay Plan'. These activities were resented by the Labour leadership.⁶¹ From January 1950, much of Mackay's activity was dependent on ACUE funding. However, in 1951, the British and Scandinavians vetoed the presentation of the Mackay Plan to the full Assembly.⁶²

After a year of ACUE activities, the British Foreign Office seem to have been aware only of its overt publicity campaign in the USA, which had caused some irritation in London. In early February 1950,

Joseph Retinger, Secretary-General of the European Movement, wrote to Sir Stafford Cripps, the British Chancellor of the Exchequer, asking if Attlee and Bevin would state publicly their support for European unification. Donovan desired these statements from all European leaders, intending to publish them together as part of efforts to persuade Congress to continue Marshall Plan aid. The Foreign Office concluded that, as most of the statesmen of western Europe had complied, Bevin would have to say something. But Bevin's message of support was so equivocal that ACUE asked the Foreign Office whether there had been some mistake, only to be told that Bevin had personally insisted upon the insertion of the more offensive sentences.⁶³ ACUE were further disappointed when Churchill and Eden, returning to power in 1951, increasingly set their face against federalist ideas. Accordingly, by November 1951, both Spaak in Europe and ACUE in the United States, increasingly despaired of the elite route to federalism and turned to mass agitation.⁶⁴

ACUE in the United States

It is possible to detect this increasing emphasis upon publicity and propaganda as early as 1950, particularly in the overt work that ACUE conducted within the United States from its offices at 537 Fifth Avenue, New York. ACUE tried to persuade elite opinion to support European federalism. To this end it organized and paid for a stream of visits and lecture tours by prominent European figures, including Churchill, Spaak and Paul van Zeeland. Robert Schuman, Paul Reynaud, Konrad Adenauer and Guy Mollet followed in their wake.⁶⁵ Spaak's visit during January and February 1951 attracted a great deal of press and radio attention and during his six-week tour he addressed audiences in 13 cities including New York, Palm Beach, Chicago, San Francisco and Los Angeles. There was rarely a moment when ACUE did not have a major speaker in circulation around the United States and increasingly it was to ACUE that student groups, colleges, radio and television in the United States turned to for speakers on European issues.⁶⁶ Steps were also taken to ensure that the AFL-CIO actively supported European unification, particularly the Schuman Plan, and US observers were continually despatched to the Council of Europe.⁶⁷

Congress received considerable attention during the crucial first hearings on the new Marshall Plan appropriations of February and March 1950. Donovan testified before the House of Representatives' Foreign Affairs Committee on the Marshall Plan in his capacity as chairman of the ACUE and Congress were continually bombarded with federalist literature. More importantly, Donovan in New York and Spaak in Brussels held simultaneous press conferences in which they released the text of pronuity statements carefully gathered by Retinger from 50 prominent European statesmen, effectively dispelling lingering doubts about European commitment to progress and creating a very favourable atmosphere for the renewal of Marshall Aid by the legislature. In June of the same year the French embassy in Washington thanked Donovan for organizing an open message to Prime Minister Schuman in favour of the Schuman Plan signed by '118 American big names', including former secretaries of state Marshall and Stimson, and released at a press conference in New York by Allen Dulles. By 1951 the ACUE had produced 17 publications and was publishing a regular fortnightly newsletter for circulation in the USA. It also distributed material produced in Europe, including the international bulletin of the European Movement, *Europe Today and Tomorrow*.⁶⁸ Thereafter, in response to critics of assistance to Europe, the ACUE shifted their American focus away from elites towards a wider audience, arranging for radio broadcasts by Donovan and for his articles to be published in *Atlantic Monthly* and the *San Francisco Chronicle*. In April 1952, ACUE took out a full-page advert in the *New York Times* entitled 'The Survival of Europe' advocating European union.⁶⁹

ACUE also commissioned American academics to undertake research projects into the problems of federalism. As early as 1950, Braden was trying to organize a major study of the most effective routes to unity, co-funded by ACUE and the Economic League for European Co-operation, to be undertaken by a team led by Richard Bissell Jr. of the ECA. Perhaps the most interesting ACUE project was launched at Harvard University in 1952.⁷⁰ This project was managed by the leading European historian and propaganda expert, Carl Friedrich, who was himself deeply committed the federalist cause. For Friedrich, European unity was not only valuable in itself, but was a stepping-stone to world federalism, ideas that he developed in work

published during the 1950s and 1960s.⁷¹ In 1952, the ACUE commissioned Friedrich to undertake a major comparative study of the constitutional problems of federalism in Australia, Canada, Germany, Switzerland and the United States. The study, including seven volumes of accompanying documents, was widely disseminated and, by 1953, despite acrimony about the spiralling costs, continued work on this project was accompanied by work on a French edition. By 1956 an Italian edition was also in preparation.⁷²

Friedrich's work is also noteworthy because it illustrates the complex links between ACUE and the Free Europe Committee. Throughout the 1950s, Friedrich also worked for the Free Europe Committee as a consultant on the Soviet zone of Germany. In 1951, he urged a forward policy upon Allen Dulles and upon the President of Radio Free Europe, C.D. Jackson, describing Berlin as a base from which the United States could support and expand a resistance network which he claimed was already 'effectively harassing the Soviet authorities and their German Communist stooges'.⁷³ Although Dulles and Jackson agreed, other US officials in Germany harboured growing doubts about the value of this sort of work.⁷⁴

American academics played an important part in expanding the activities of ACUE. In 1950 a cultural section of ACUE was launched, directed by two American historians who had served in OSS, the president of Bennington College Frederick H. Burkhardt and William L. Langer of Harvard University. The grants they distributed helped to establish the European Cultural Centre in Geneva and assisted the Inter-University Union of Federalists.⁷⁵ ACUE also took an interest in the College of Europe at Bruges, designed to provide a training for future European officials. One of the attractions of the college was its leadership who had played an active part in the wartime resistance. One of its principals, Dr H. Brugman, was an important influence upon the federalist ideas circulating within the European resistance movements, as expressed in clandestine newspapers such as the Dutch *Het Parool* and the French *Combat* and *Résistance*.⁷⁶ In June 1951, ACUE offered scholarships for American students to attend the college.⁷⁷ American cultural leaders and academics, they asserted, could offer a federalizing Europe the benefit of 'our experience – good and bad – in the fields of mass communication and intercultural assimilation'.⁷⁸

The Search for Popular Federalism

The ACUE's work in continental Europe during the early 1950s also focused increasingly upon propaganda and mass action. During the upheaval while the European Movement was being reorganized in 1950, they turned to the European Movement's member organizations to promote federalism; in practice this meant the French-dominated European Union of Federalists, which Donovan considered to be the more effective group. The French proposed to stir Strasbourg into action by launching a grassroots populist movement, the European Council of Vigilance, under the wartime French resistance leader Henri Frenay, which would meet in a building adjacent to the Council of Europe, and shower it with local petitions supporting federalism. ACUE gave the Council of Vigilance an initial grant of \$42,000.⁷⁹

By the spring of 1951, with Spaak's new leadership, the European Movement as a whole was again an effective organization. ACUE, Spaak and Frenay threw themselves into the attempt to generate mass support for federalism. In the short term they hoped to create support for the Schuman Plan, for more authority for the Council of Europe and for the idea of a European army, later the EDC. After 'extensive talks' between Donovan and Eisenhower in the spring of 1951, ACUE placed increasing emphasis upon integrating Germany into western Europe, to quieten fears over rearmament and US worries about a German drift towards neutrality. Although Donovan knew that a federal Europe was not 'immediately imminent', he concluded that 'a pattern of specialized authorities will create the unified military force and free economic trade area in Europe that are necessary if Europe is to obtain maximum strength and assure the success of General Eisenhower's mission'. As examples, Donovan pointed to proposals for a European Transport Authority and a European Agricultural Organization, modelled on the Schuman Plan.⁸⁰

The joint conviction of Spaak and Donovan that European unity could best be driven forward by a mass propaganda campaign coincided neatly with deep American concerns about the success of Eastern bloc propaganda efforts in the area of youth movements and international organizations generally. In the summer of 1951, a growing crescendo of organized Communist youth activity was

highlighted by a gigantic youth rally organized by the 'Freie Deutsche Jugend' and attended by about 2,000,000 youth representatives from all over the world. This single rally was estimated to have cost the Soviets over £20,000,000. British intelligence obtained film of the rally and its scale alarmed senior Western policymakers, including John J. McCloy, the American High Commissioner for Germany. McCloy, already heavily involved in American psychological and covert warfare, immediately recognized the importance of this development and decided that counteraction was imperative. Shepard Stone, a member of his staff, contacted Joseph Retinger, the Secretary-General of the European Movement and asked if they would be willing to organize a similar demonstration in western Europe. Considerable additional funds would be provided by the American government and funnelled through the ACUE, provided they were used specifically for youth work. Retinger accepted and, together with Spaak and Andre Phillip, he formed a three-man special committee to map out the profile of the European youth campaign.⁸¹

Accordingly, in 1951, the majority of ACUE funds for Europe were employed on a new venture – a unity campaign amongst European youth. Between 1951 and 1956 the European Movement organized over 2,000 rallies and festivals on the continent, particularly in Germany where they received the help of the US army. One of the additional advantages of deploying American funds on the large youth programmes was that it helped to disguise the extent to which the European Movement was dependent upon American funds. In May 1952 Spaak decided that funds from American sources that had previously been used in the ordinary budget of the European Movement would now be diverted for use in the 'Special Budgets' used to support their growing range of new programmes. This disguised their source and avoided any accusations of American dependency. Again, in November 1953, Baron Boel, the treasurer of the European Movement, explained that it was essential to avoid a situation where opponents of European unity could accuse them of being an American creation. For this reason 'American money, quite acceptable for the European Youth Campaign and certain restricted activities, could not be used for the normal running of the Movement'. Through the use of 'Special Budgets', the large sums from American sources did not show up in the ordinary budget of the European Movement.⁸²

By the end of 1951, an International Youth Secretariat had been established in Paris, with smaller offices throughout western Europe and a campaign youth newspaper in five languages. In 1952, representatives were elected to a European Parliament of Youth who were to help the European Movement 'to inform the masses of European youth of their obligations to themselves and the free world'. By the end of 1953, the campaign was costing ACUE \$200,000 a year.⁸³ Although it is difficult to identify the extent to which these activities had an impact on mass opinion, senior Europeans, eager for more funds, attributed their successes to the mass campaign. Monnet's letter to Donovan in October 1952 was typical, asserting: 'Your continued support, now more crucial than ever, will help us greatly toward the full realisation of our plans.'⁸⁴

During 1953 and 1954, ACUE strengthened its ties with US government. Allen Dulles replaced Walter Bedell Smith as director of the CIA and the State Department concluded that open attempts at propelling European states into the EDC during 1953–54 had backfired badly, being seen as 'undue US intervention' and arousing 'more public antagonism than support'. The wisdom of less direct methods seemed to be confirmed.⁸⁵ The biggest problem now facing ACUE was the German question, and the most interesting example of this was the attempt to associate Strasbourg with the efforts of the Free Europe Committee and ACEN. As early as 1953, German and east European groups were making conflicting irredentist claims against each others territory. ACEN and Radio Free Europe, not only anti-Soviet but also anti-German, published documents and maps that revealed ambitions against the territory of postwar Germany and areas inhabited by Germans. The German government repeatedly pressed the US High Commission 'to stop the dissemination of such anti-German Propaganda'.⁸⁶ These tensions threatened to disrupt relations between ACEN and the various west European delegations at Strasbourg. Efforts to improve coordination between Strasbourg and the Free Europe Committee led, in early 1957, to an extensive study of Radio Free Europe's activities by the special political committee of the Council of Europe. After a three-day visit to its Munich headquarters, they concluded that Radio Free Europe was 'performing an extremely useful political task' and recommended greater European participation in what was still a largely American-

managed programme. In 1959, the Free Europe Committee responded by forming a west European advisory group and by encouraging leaders of Eastern bloc exile groups to join in discussions on European integration.⁸⁷

Two further developments characterized ACUE strategy in the mid-1950s. Firstly, there was revived interest in elite politics, focused upon Jean Monnet's Action Committee for a United States of Europe.⁸⁸ Monnet stressed small meeting and serious publications 'rather than large manifestations and polemics'. Monnet's strategy was not entirely welcomed by ACUE, who complained that he had 'concentrated deliberately on labour and socialist elements' at the expense of the participation of French industrialists and the right.⁸⁹ Although Monnet's activities are specifically identified in ACUE reports on supported programmes, the documentation linking Monnet and ACUE is limited. This is not surprising since Monnet was even more cautious than the European Movement concerning the potential political damage that might be caused by revelations about American funding. The only precisely quantifiable American funds passed to Monnet during this period came through the Ford Foundation to support his immediate secretariat.⁹⁰

The case of Monnet and the Ford Foundation usefully highlights the extreme difficulties that confront any historian attempting to disentangle covert American government funding from the overt funding provided by those American private organizations and public foundations which worked closely with the US government. As early as 1949, at the behest of Allen Dulles, the Ford Foundation was cooperating with the CIA on a number of European programmes.⁹¹ By 1950, the ACUE and the Ford Foundation were coordinating their efforts to support federalism.⁹² Moreover, by the mid-1950s, the senior figures who directed both overt and covert American support were increasingly synonymous. By 1953 both John J. McCloy and Shepard Stone, who had been instrumental in arranging for substantial covert government funds for the European Youth Campaign, were both on the board of trustees of the Ford Foundation. McCloy was also a director of the Rockefeller Foundation. By 1955, McCloy had become chairman of the Ford Foundation, while serving as chairman of the Council on Foreign Relations. Simultaneously, the same circle, including Retinger,

McCloy, Allen Dulles, Harriman, David Rockefeller, Jackson and Bedell Smith were busy creating the Bilderberg Group, yet another organization that bridged the narrowing gaps between government, private and public organizations and between overt and covert on both sides of the Atlantic.⁹³ Monnet's Action Committee and the European Youth Campaign seem to have been flagship European activities receiving support from these overlapping American groups and organizations in the mid-1950s.

The second development was increased ACUE attention to NATO, which was developing its own programme of political warfare, and to Atlanticist ideas.⁹⁴ In contrast to the early 1950s, when ACUE had refused to work with the Atlantic Union, by the end of the decade ACUE were increasingly cooperating with Atlanticist groups that conceived of European unity in a NATO framework. ACUE supported youth programmes such as the Atlantic Political Youth Conferences between 1957 and 1960 and declared that it 'had long felt that European Unity and Atlantic solidarity are mutually supporting objectives'.⁹⁵ Although, like the American Committee on NATO, by 1959 a greater proportion of its activities were conducted within the USA, nevertheless ACUE was still trying to encourage a stronger British interest in Europe and commissioned a study by the *Economist* intelligence unit of economic relations between Britain and Europe, hoping to persuade British industrialists to take a more 'realistic' view.⁹⁶ The *Economist* staff included a number of figures who were prominent in European organizations, for example its deputy editor, Barbara Ward.

In May 1960 the ACUE voted itself out of existence. Its directors argued that, while European unity was an 'unfinished business', continued ACUE activity could only be justified by a 'serious reversal of present trends' towards integration. Moreover, with the recovery of European economies, European federalists were able to find their own funds. Thus, during the spring of 1960 the ACUE was gradually wound down, as the executive director administered the last eight European grants, totalling \$105,000. With many African states sweeping towards independence, the ACUE toyed briefly with a Europe-Africa programme designed to tie the two continents together, but residual ACUE funds were transferred to the American Committee on NATO. It then deactivated rather than dissolved itself

at the request of Monnet and Schuman, who wished to ensure its 'coming back into the picture if and when necessary'.⁹⁷

The Impact of ACUE

Although ACUE's records are open to public inspection, the precise nature of its work and the source of all its funds remains somewhat obscure. For some unknown reason the resources available to ACUE effectively tripled from the end of 1951. Over their first three years of operations, 1949–51, ACUE received \$384,650, the majority being dispersed to Europe. This was a large sum, but from 1952 the ACUE began to spend such a sum annually. The total budget for the period 1949–60 amounted to between \$3 and \$4 million.⁹⁸ As the amount of money flowing across the Atlantic began to increase, the ACUE opened a local Paris office to monitor closely groups that had received grants. By 1956 the flood of increased funding was prompting fears amongst the directors of the ACUE that their work would be made public, arousing criticism of the European groups they supported. Although their European representative, William Fuggit, explained that ACUE was 'able to avoid embarrassing our friends by staying in the background', he conceded that the danger of discovery 'was real'.⁹⁹

Although the record of ACUE expenditure reveals nothing about the source of income, the available evidence points firmly to growing US government subventions. As the historians Trevor Barnes and Wilson D. Miscamble have shown, in 1948 the US government attempted to run these sorts of projects on the basis of private donations only, but this was soon abandoned.¹⁰⁰ As late as 1951, ACUE were still soliciting some donations from private American citizens, but, thereafter, ACUE ceased to employ a professional fundraiser.¹⁰¹ This shift coincides with McCloy's intervention, funnelled via ACUE, to boost campaigns amongst European youth and a tripling of resources available to ACUE. Braden, in an interview given in the 1980s, asserted that ACUE funds originated with the CIA and in memoirs published after his death, Retinger, the Secretary-General of the European Movement, recounted the receipt of American government funds and dwelt on periodic accusations that he was working for American intelligence. But it is the remarkable

work of Rebattet, with unparalleled access to European Movement documentation, that confirms that most ACUE funds originated with the CIA. Drawing on interviews with George Rabattet, Secretary-General of the European Movement, and the European Representative of ACUE, F.X. Rabattet concluded:

There were no less than four members of the Central Intelligence Agency among the Officers and Directors of ACUE ... The vast majority of the American funds devoted to the campaign for European unity, and practically all the money received for the European Youth Campaign came from State Department secret funds. This was of course kept very secret. ACUE thus played the part of a legal covering organisation. Donations from business made up a maximum of one sixth of the total sums during the period under study.

Rebattet demonstrates that by 1952 these American funds were being hidden by the procedure of keeping most of them out of the ordinary budget of the European Movement. Instead American funds were used for innumerable special projects including the European Youth Campaign, the Action Committee and the budgets of the National Councils of the European Movements.¹⁰²

Not all the ACUE's funds came from the CIA; it attracted substantial private donations. Equally, not all covert American assistance to European federalist groups was distributed by the ACUE. For example, in Italy a senior official of the Vatican, Luigi Gedda, created an organization of Catholic activists which helped to defeat of the Communists in the elections of 1948. Gedda was supported by US officials in the US embassy in Rome and in the CIA, and the support increased when he began to promote the idea of 'Western Union', explaining that the Pope had now agreed that 'the Church should carry the banner for a federation of western European states'. After the US embassy in Rome concluded that Gedda needed about \$500,000, US officials debated whether the funding should be channelled through the Marshall Plan (ERP) publicity fund or the CIA.¹⁰³ Mutual Security Agency funds were also used to support the European Movement, indeed the Mutual Security Act of 1951 explicitly stated that its resources were to be used 'to further encourage the economic and political federation of Europe'.¹⁰⁴ Use was certainly

made of counterpart funds – European currencies transferred from Marshall Plan governments to the American government to cover American administrative costs in Europe – for political purposes.¹⁰⁵

It is difficult to measure the proportion the numerous American publicity and propaganda budgets, both overt and covert, that was spent on promoting European unity over this period.¹⁰⁶ Nevertheless, in the specific case of ACUE, a rough measurement can be made by comparing its total budget of \$3–\$4 million with those of contemporaneous programmes mounted by the CIA. The ACUE clearly cost less than was spent to ensure the defeat of the Communists in the Italian elections of 1948, probably the CIA's biggest operation in this period and thought by Christopher Simpson to have cost approximately \$10 million.¹⁰⁷ At the same time, the ACUE spent more than the \$3 million spent by the CIA during the Chilean elections of 1964, and more than the sum of \$ 3.3 million channelled to the American National Student Association between 1952 and 1967. That spending on ACUE was broadly typical of an important OPC/CIA covert operation in this period is confirmed by Geoffrey Treverton, who suggested that, under Truman, 81 covert actions were authorized, and that the total sum authorized grew dramatically from \$4.7 million in 1949 to \$82 million in 1952. ACUE resources also grew dramatically over this same period.¹⁰⁸

Nor is it easy to cast up a balanced assessment of what ACUE's covert operations in Europe achieved between 1949 and 1960. Clearly, appropriate funding was not available within western Europe for sorts of initiatives that the European Movement wished to pursue. Indeed much of the scarce funds available prior to American involvement came not from western Europe, but from Swiss industrialists, notably the firm of Nestlé's.¹⁰⁹ There can be no doubt that, between 1949 and 1951, ACUE funds propped up the executive of the European Movement, which seemed terminally split and was approaching bankruptcy. One-third of the European Movement's office staff had been laid off, the publication programme had been halted and bills were not being paid. As the ACUE noted ruefully in late 1949 'Sandys urgently requests more money from us by the end of January'.¹¹⁰ Once the core of European Movement had been stabilized, its expensive public campaigns of the 1950s relied almost entirely on ACUE funds. When a French delegate from the European

Union of Federalists arrived in New York in 1950 to deliver a presentation to ACUE on its plans for the European Council of Vigilance, he conceded that 'it is simply impossible for us to carry out the enterprise without your help'.¹¹¹ Federalists had outlined the mass European Youth Campaign on paper as early as 1947, but the means were not at hand and the project had been 'indefinitely postponed'.¹¹²

That European Movement was itself federal, consisting of many national and international groups, together with the creation of special budgets to render the American contribution opaque, makes it awkward to quantify the proportion of its funds arriving from Europe and the United States respectively. Rebattet's figures for the period 1945–53, based on complete access to European Movement financial records, suggest that, of the approximately £1,000,000 spent from 1945 to the beginning of 1953, 'about £440,000' (44 per cent) came from the United States. If we discount European funds received prior to that start of American financial involvement in late 1948 (about £100,000), it appears that ACUE provided almost exactly half the European Movement funds from late 1948 through to early 1953. It is clear from ACUE financial records that 1949–52 was a period of modest contributions and thereafter these more than doubled. There are no precise figures for European Movement budgets between 1953 and 1960, but it would be surprising if ACUE subventions did not constitute two-thirds of European Movement funds during this latter period.¹¹³

The impact of ACUE upon the European Movement is undeniable. But the impact of ACUE-supported activities upon European populations is hard to determine, partly because the existence of popular European federalism in postwar Europe has itself become a controversial question. Although the work of the various federalist organizations, which coalesced under the umbrella of the European Movement by 1947, is massively documented by Walter Lipgens, they had almost no influence on the negotiations that led to the Schuman Plan or to any other landmark event in the process of unification.¹¹⁴ Spaak, Count Sforza, the Italian Foreign Minister, and other European leaders who advocated popularism expected this to create indirect pressure upon officials and ministers, but overestimated the influence of public opinion. Outside France, Europeans were not roused to enthusiasm by the federalist cause.

Even the European Youth Campaign, which had held 2,000 youth meetings across Europe by 1956, was dependent upon the participation of *organized* European youth, through the affiliation of their leadership. Their well-attended meetings may offer little more evidence of popular sentiment than contemporaneous rallies of 'democratic' youth held in eastern Europe, which they were expressly designed to counter.¹¹⁵

All this activity did create enough semblance of public pressure, however, to bother federalism's most implacable opponents. As early as April 1950, Labour Party leaders complained of 'a lot of pressure from European and US public opinion'. At the same time, seemingly convinced that popular sentiment had no place in the making of foreign policy, they were adamantly ignoring it. In November 1950, the British Labour Party delegation returned from Strasbourg and reported with satisfaction that the federalists had been defeated, 'and their attempts to upset the Assembly's work through Committees of Vigilance, proved a lamentable failure'.¹¹⁶

The faith of ACUE in the role of public pressure is not difficult to understand, given the more populist traditions of American foreign policymaking. ACUE's misplaced confidence in the ease with which Europe could be propelled down the road to federalism mirrors the expectations of US officials within ERP and ECA, who would find European institutions and society less permeable to American ideas and practices than they had hoped.¹¹⁷ But the firm faith in the role of populism expressed by Spaak, Sforza and periodically Monnet is harder to explain. Monnet's extraordinary claim in 1952 that the European Coal and Steel Community was a sovereign power, responsible not to the states that had created it, but only to the European Assembly at Strasbourg and to the European Court of Justice is but one example.¹¹⁸ The idea that a few million dollars of covert US funds might release a wave of irresistible mass pressure for federalism in Europe was misconceived and, with hindsight, ludicrous. That a number of prominent figures on both sides of the Atlantic believed it to be possible is significant in itself.

Viewed from Europe, the most striking aspect of the ACUE's work is the extent to which officials working for European reconstruction and unification shared the experience of wartime intelligence, special operations and resistance. European unity had taken root in wartime

resistance movements.¹¹⁹ These links with clandestine organizations continue into the postwar period. The emerging European Community and the growing Western intelligence community overlapped to a considerable degree. This is firmly underlined by the creation of Retinger's Bilderberg Group, an informal secretive transatlantic council of key decisionmakers developed between 1952 and 1954. The Bilderberg Group grew out of the same overlapping networks of drawn from the European Community and the Western intelligence community. Bilderberg was founded by Joseph Retinger and Prince Bernhard of the Netherlands in 1952 in response to the rise of anti-Americanism in western Europe and was designed to define some sort of Atlantic consensus amid diverging European and American outlooks. It brought leading European and American personalities together once a year for an informal discussion of their differences. Retinger secured support from Averell Harriman, David Rockefeller and Bedell Smith. The formation of the American wing of Bilderberg was entrusted to Eisenhower's psychological warfare coordinator, C.D. Jackson, and the funding for the first meeting, held at the Hotel de Bilderberg in Holland in 1954, was provided by the CIA. Thereafter, much of its funding came from the Ford Foundation. By 1958, those attending Bilderberg included McCloy, Dean Acheson, George Ball and Paul Nitze. It is striking that three important transnational elite groups emerging in the 1950s: the European Movement, the Bilderberg Group and Jean Monnet's Action Committee for a United States of Europe all shared the broadly the same origins and sources of support.¹²⁰

Although Bilderberg and ACUE-European Movement shared broadly the same founders, members and objectives, arguably Bilderberg constituted the more effective mechanism of transatlantic dialogue, developing into what some have regarded as the most significant discreet forum for Western elites. Unlike ACUE-European Movement, it was not constrained by subject, nor was it divided into separate European and American bodies, linked by the activities of scurrying envoys. The subjects over which the annual meetings ranged were too wide, even in the formal sessions, to permit detailed analysis here, but it is clear that the Rome Treaty was nurtured by discussions at Bilderberg in the preceding year. In the mid-1950s the European delegates were most concerned to use Bilderberg to

underline the damage being done to the standing of the United States by McCarthyism in general and the Rosenberg trial in particular. In 1954, C.D. Jackson went out of his way to assure the European delegates that McCarthy would be gone by the time of the next meeting – and he was. In the 1960s the focus shifted to the Third World and development issues. The value of Bilderberg is impossible to assess, but there has been consistent top-level attendance, including every British Prime Minister over three decades. This, together with its eventual development in the 1970s into the Trilateral Commission with the incorporation of Japan, suggests that the participants have considered it worthwhile.¹²¹

Seen from the United States, ACUE's history reveals the style of early covert action, not least the reliance on private organizations, albeit coordinated by a close circle of officials. Allen Dulles, Braden and Bedell Smith all played a prominent role in ACUE before moving to formal positions within the CIA in the early 1950s. The precise nature of the linkage between groups like ACUE and the CIA will not be known until the full records of the CIA's International Organizations Division is released, and that may not be for some considerable time.¹²² Nevertheless, the work of Allen Dulles and Braden with ACUE and the Free Europe Committee clearly prompted them to set up the International Organizations Division in 1951. From the point of view of the development of CIA doctrine and structure this was an important moment.

The most interesting links between ACUE and International Organizations Division relate not to the work they conducted in Europe, but instead to their work conducted by ACUE inside the United States which, though limited, may well have been illegal. It was the International Organizations Division that continued this domestic theme in the work of the CIA through the 1950s, typified by the funding of the American National Student Association from 1952. This controversial penchant for international operations which took place in the United States as well as overseas would have long-term significance for the American intelligence community. It was, above all, revelations in 1967 about these activities *inside* the United States that initiated the wave of enquiries and restrictions that would descend upon the CIA by the mid-1970s. Eventually, the reverberations of ACUE, International Organizations Division and the associated

concepts they developed were felt as strongly in Washington as they were in Europe.¹²³

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NOTES

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1. On intelligence and the Cold War see John L. Gaddis, 'Intelligence, Espionage and Cold War Origins', *Diplomatic History*, xiii (1989), pp.191-213; Sheila Kerr, 'NATO's First Spies: The Case of the Disappearing Diplomats - Guy Burgess and Donald Maclean', in Beatrice Heuser and Robert O'Neill (eds.), *Securing the Peace in Europe, 1945-62* (London, 1991), pp.118-24; Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration and the Cold War* (Stanford, 1992), pp.183-92; Richard J. Aldrich (ed.), *British Intelligence, Strategy and the Cold War, 1945-51* (London, 1992), pp.1-17.
2. John Gillingham, *Coal, Steel, and the Rebirth of Europe, 1945-1955: The Germans and French from the Ruhr Conflict to Economic Community* (Cambridge, 1992), pp.148-78; Alan S. Milward, *The Reconstruction of Western Europe, 1945-51* (Berkeley, 1984), pp.56-84; Sallie Pisani, *The CIA and the Marshall Plan* (Edinburgh, 1991), pp.34-58; Geoffrey Warner, 'Eisenhower, Dulles and the Unity of Western Europe, 1955-1957', *International Affairs*, lxix (1993), p.320.
3. OSS-CIA efforts to promote European unification have not received sustained analysis. Nevertheless, brief references have continued to surface over the years: Trevor Barnes, 'The Secret Cold War: The CIA and American Foreign Policy in Europe, 1945-1956, Part II', *The Historical Journal*, XXV (1982), pp.666-7; Robert Eringer, *The Global Manipulators: The Bilderberg Group, the Trilateral Commission, Covert Power Groups of the West* (Bristol, 1980), pp.19-20; Richard Fletcher, *Who Were They Travelling With?* (Nottingham, 1977), p.71; Pierre Melandri, *Les États Unis face à l'unification de l'Europe, 1945-54* (Paris, 1980), pp.320, 354-5; Peter Thompson, 'Bilderberg and the West', in Holly Sklar (ed.), *Trilateralism, The Trilateral Commission and Elite Planning for World Management* (Boston, 1980), p.184; Arnold Zürcher, *The Struggle to Unite Europe, 1940-58* (New York, 1977), p.71.
4. For a discussion of the European and particularly the British aspects of this issue see, Richard J. Aldrich, 'European Integration: An American Intelligence Connection', in Anne Deighton (ed.), *Building European Unity: National Decision-Makers and European Institutions, 1948-63* (London, 1995), pp.159-79.
5. F.X. Rebattet, 'The "European Movement" 1945-53: A Study in National and International Non-Governmental Organisations working for European Unity' (D.Phil., St Antony's, Oxford, 1962). F.X. Rebattet was the son of George Rebattet, Deputy Secretary General of the European Movement, 1948-52 and Secretary-General, 1952-5.
6. The independent-minded efforts of the AFL-CIO are the most obvious example, Irwin M. Wall, *The United States and the Making of Postwar France, 1945-1954*

- (Cambridge, 1991), pp.99–104, 151–3, 211–15; Pisani, *The CIA and the Marshall Plan*, pp.99–100, 119, 145; Frederico Romero, *The United States and the European Trade Union Movement, 1944–51* (Chapel Hill, 1993), pp.12–17, 88–95.
7. Peter Coleman, *The Liberal Conspiracy: The Congress for Cultural Freedom and the Struggle for the Mind of Postwar Europe* (New York, 1990), p.xi. See also William Colby, *Honorable Men: My Life in the CIA* (New York, 1978), pp.51–107.
 8. Christopher Thorne, 'American Political Culture and the End of the Cold War', *Journal of American Studies* xxvi (1992), pp.316–20; Michael J. Hogan, *The Marshall Plan: America, Britain and the Reconstruction of Western Europe, 1947–52* (Cambridge, 1987), pp.213–14, 332–3.
 9. Kennan was responding to a document entitled 'OPC Projects Fiscal 1949–1950'. Kennan to Wisner, 6 Jan. 1949, Political and Psychological Warfare file, box 12, Records of the Policy Planning Staff, 1947–53, Lot Files 64 D 563, RG 59, NA.
 10. NSC 10/2, 'National Security Directive on Office of Special Projects', 18 June 1948, reprinted in Thomas H. Etzold and John L. Gaddis (eds.), *Containment: Documents on American Policy and Strategy, 1945–50* (New York, 1978), pp.125–8. For a short period OPC was known as Office of Special Projects.
 11. Lovett to Kennan, 29 Oct. 1948, Political and Psychological Warfare file, box 12, Records of the Policy Planning Staff, 1947–53, Lot Files 64 D 563, RG 59, NA.
 12. Geo L. King (OPC) to Bedell Smith, 25 Aug. 1950, Personal Correspondence file K, box 14, Walter Bedell Smith Papers, Dwight D. Eisenhower Library, Abilene, Kansas (hereafter DDE). The fullest account of the tangled CIA–OPC relations in the late 1940s is given in A.B. Darling, *The Central Intelligence Agency: An Instrument of Government to 1950* (Pennsylvania, 1990), pp.273–81, 303–11. CIA planning during the 1950s is described in David Attlee Phillips, *The Nightwatch: 25 years Inside the CIA* (London, 1977), pp.56–60.
 13. 'List of State and Foreign Service Personnel having knowledge of political warfare operations', undated, Political and Psychological Warfare 1948–50 file, box 11A, Records of the Policy Planning Staff, 1947–53, Lot Files 64 D 563, RG 59, NA; Kennan to Lovett, 29 Oct. 1948, Political and Psychological Warfare file, box 12, *ibid.*
 14. On this see James E. Miller, 'Taking off the Gloves: The United States and the Italian Elections of 1948', *Diplomatic History*, vii (1983), 35–46; David W. Ellwood, 'The 1948 Elections in Italy: A Cold War Propaganda Battle', *Historical Journal of Film, Radio and Television*, xiii (1993), pp.19–35.
 15. Romero has argued that while 'operations to support non-communist union in Italy and France 'were financed in large measure by the CIA', the role of intelligence agencies should not be exaggerated, *The United States and the European Trade Union Movement*, pp.94–6; Ronald L. Filippelli, *American Labour and Postwar Italy: A Study in Cold War Politics* (Stanford, 1989); Dennis MacShane, *International Labour and the Origins of the Cold War* (Oxford, 1992); Lutz Niethammer, 'Structural Reform and a Compact for Growth: Conditions for a United Labour Union in West Europe after the Collapse of Fascism', in Charles S. Maier (ed.), *The Origins of the Cold War and Contemporary Europe* (New York, 1978), pp.216–28; Ronald Radosh, *American Labour and United States Foreign Policy* (New York, 1969); Carol Eisenberg, 'Working Class Politics and the Cold War: American Intervention in the German Labour Movement, 1945–9', *Diplomatic History*, vii (1983), pp.283–306.
 16. Coleman, *Liberal Conspiracy*; Cord Meyer, *Facing Reality: From World Federalism to the CIA* (New York, 1982), pp.66–7.
 17. Braden's own recollections are recounted in Barnes, 'The Secret Cold War', pp.666–7, and in Thomas W. Braden, 'The Birth of the CIA', *American Heritage*, xxviii (1977), pp.4–13. See also Miles Copeland, *The Real Spy World* (London,

- 1974), p.230. By 1954 the International Organisations Division, was 'one of the major operating divisions of the Directorate of Plans', Meyer, *Facing Reality*, p.85.
18. Meyer, *Facing Reality*, pp.110–39; John Ranelagh, *The Agency: The Rise and Decline of the CIA* (London, 1986), pp.133–8; Christopher Simpson, *Blowback: America's Recruitment of Nazis and its Effects on the Cold War* (London, 1988), pp.138–56; Aaron Bank, *From OSS to the Green Berets: The Birth of Special Forces* (Novato CA, 1986), pp.138–89. One of the most reliable accounts of the establishment of stay-behind networks is given in Colby, *Honorable Men*, pp.51–107.
 19. Zurcher, *The Struggle to Unite Europe*, p.24; Rebattet, 'European Movement', pp.294–6; R.B. Manderson-Jones, *The Special Relationship, Anglo-American Relations and Western European Unity, 1947–56* (London, 1972), p.13.
 20. Letter from Duncan Sandys to Beddington-Behrens, 11 Oct. 1948; 'Report by Chairman of Finance Sub-Committee', 8 Dec. 1948, EX/P/53, European Movement Archives, cited in Rebattet, 'European Movement', p.195. It appears that Retinger has undertaken a previous unsuccessful search for support in the United States in November 1946, meeting Adolfe Berle and George S. Franklin, but nothing came of this, *ibid.* p.299.
 21. Coudenhove-Kalergi to Donovan, 24 Nov. 1949, box 38, Allen W. Dulles Papers, Mudd Library, Princeton University; minutes of the Second Meeting of the Executive Committee, 1 July 1949, folder 90, ACUE records, Special Collections, Lauinger Library, Georgetown University, Washington DC (hereafter ACUE records, LL); Churchill to Donovan, private, 4 June 1949, *ibid.* For an example of Coudenhove-Kalergi's inter-war work see his *Pan-Europa* (London, 1926).
 22. W.S. Churchill, *War Speeches*, Vol.II (London, 1951), pp.427–8.
 23. W.S. Churchill, *The Sineus of Peace* (London, 1956) p.44
 24. John W. Young, *France, the Cold War and the Western Alliance, 1945–9* (Leicester, 1990), pp.210–14; John W. Young, *Britain and European Unity, 1945–93* (Leicester, 1993), pp.4–6, 22–3; John Pinder, 'Prophet Not Without Honour: Lothian and the Federal Idea', in John Turner (ed.), *The Larger Idea: Lord Lothian and the Problem of National Sovereignty* (London, 1988), pp.144–7.
 25. Memorandum by Robert Joyce to Frank Wisner, 'National Committee for Free Europe', 19 Oct. 1950, Political and Psychological Warfare file, box 12, Records of the Policy Planning Staff, 1947–53, Lot Files 64 D 563, RG 59, NA. On the origins of the Free Europe Committee see Wilson D. Miscamble, *George F. Kennan and The Making of American Foreign Policy, 1947–1950* (New Jersey, 1992), pp.203–5.
 26. Meyer, *Facing Reality*, pp.110–11. Dolbeare had joined OSS in 1940 and had become a senior officer in the secret intelligence branch of OSS. On Free Europe Committee funding see Meyer, *Facing Reality*, pp.110, 116, and the iconoclastic memorandum by General Crittenberger, 21 April 1958, Free Europe Committee 1958 file, box 44, C.D. Jackson Papers, DDE.
 27. Filippelli, *American Labour*, p.134. Other committees included the American Committee to Aid the Survivors of the German Resistance. Allen W. Dulles, *The Marshall Plan* (2nd edn., Oxford, 1992); Ben Pimlott (ed.), *The Political Diary of Hugh Dalton: 1918–40, 1945–60* (London, 1986), entry for Tuesday 29 July 1947, p.401.
 28. Donovan worked as a consultant to the State Department on a number of political warfare projects, handled the legal negotiations over Chinese airliners stranded in Hong Kong in 1949 that were then transferred to the CIA, and ran a special operations project while simultaneously serving as Ambassador to Thailand. NSC 5430, 'Status of US Program for National Security as of 30 June 1954, Part 7, USIA Program', 18 Aug. 1954, FRUS, 1952–4, II, p.1780; Banks, *From OSS to the Green Berets*, pp.186–7.

29. Darling, *CIA*, pp.267–8, 301–45. Allen Dulles had also exercised influence over labour affairs in the American zone of Germany in the period 1945–6, Eisenberg, 'Working Class Politics and the Cold War', p.288. Thomas W. Braden appears to have ceased to Executive Director in the spring of 1951. He was succeeded by William P. Durkee and then by Alan Hovey in 1953. Durkee had served in OSS with Braden and later became vice-president of Free Europe Inc. with special responsibility for Radio Free Europe. On Braden's departure see Braden to Sandys, 30 March 1951, and Sandys to Braden, 17 April 1951, 9/1/10, Duncan Sandys Papers, Churchill College, Cambridge (hereafter CCC).
30. List of ACUE Directors attached to details of a visit by Robert Schuman, 20 Sept. 1950, folder 5, ACUE records, LL; Filippelli, *American Labour*, pp.112, 134–5, 211.
31. 'Report to the Executive Directors of the American Committee on United Europe', by William P. Durkee, May 1952, ACUE file 2, box 4, Walter Bedell Smith Papers, DDE (All subsequent references to WBS, DDE, are to this single voluminous file on ACUE.)
32. William J. Donovan, 'The Schuman Plan', Feb. 1952, *ibid*.
33. 'Report to the Executive Directors of the American Committee on United Europe' by William P. Durkee, May 1952, WBS, DDE.
34. Churchill to Donovan, private, 4 June 1949, folder 90, ACUE records, LL.
35. Meyer, *Facing Reality*, pp.63–66; John Pomian (ed.), *Joseph Retinger: The Memoirs of an Eminence Grise* (Sussex, 1972), p.237; Aldrich, 'European Integration', pp.163–4.
36. Churchill to Donovan, private, 4 June 1949, folder 90, ACUE records, LL. Churchill maintained his intelligence connections after 1945, on this see for example Martin Gilbert, *Winston Churchill, Vol III: Never Despair* (London, 1988), p.424.
37. Address by Churchill to the ACUE, New York, 29 March 1949, folder 2, ACUE records, LL.
38. These ideas were reflected in the title of ACUE's earlier manifestation, see minutes of the American Committee for a Free and United Europe, 5 Jan. 1949, folder 90, ACUE records, LL.
39. Minutes of a discussion between Kennan by Hayter (UK JIC chairman), 26 July 1949, W627/2/S00G, FO 371/76383, PRO. American intelligence estimates and British PUSC Papers were also exchanged.
40. Braden to Bedell Smith, 28 Dec. 1949, WBS, DDE. Initial funding in 1949 appears to have come from private sources: at the incorporation of the ACUE the luncheon in honour of Winston Churchill raised \$75,000. 'Report to the Directors of the ACUE', by William P. Durkee, May 1952, pp.7–8, WBS, DDE.
41. Donovan went on to attend a Paris meeting on the Schuman Plan, Confidential Memorandum enclosed in Braden to Bedell Smith, 27 June 1950, WBS, DDE. On Labour's changing attitude to Europe, see John W. Young, *Britain, France and the Unity of Europe, 1945–51* (Leicester, 1984).
42. 'Report to the Directors of the ACUE', by William P. Durkee, May 1952, pp.7–8, WBS, DDE; Rebattet, 'European Movement', pp.49, 186; Aldrich, 'European Integration', p.165. On Sandys in 1945 see Young, *Britain and European Unity*, pp.19–20.
43. 'Report to the Directors of the ACUE', by William P. Durkee, May 1952, pp.9–10, WBS, DDE.
44. Confidential Memorandum enclosed in Braden to Bedell Smith, 27 June 1950, WBS, DDE.
45. Retinger to Sandys, 31 March 1950, European Movement Archives, quoted in Rebattet, 'European Movement', p.408.
46. Rebattet, 'European Movement', pp.198–9. Hitherto the ACUE had offered little

- specific direction as to precise use of the funds, remarking in January 1950, 'up to now all funds have been sent to the European Movement to use as it sees fit', minutes of the Meeting of the Executive Committee, ACUE, 20 Jan. 1950, WBS, DDE.
47. 'Report to the Directors of the ACUE', by William P. Durkee, May 1952, pp.7-8, WBS, DDE. Subsequently, Braden sent a highly confidential report to Walter Bedell Smith, relating the discovery that during early 1950, 'Sandys [had] attempted to disband the European Movement'. He added that 'Spaak and Retinger together have handled the Sandys situation ... and kept the whole fracas from reaching the public', Braden, confidential memorandum on ACUE to Bedell Smith, 6 July 1950, WBS, DDE. .
 48. Gillingham, *Coal, Steel, and the rebirth of Europe*, p.147. Another historian has identified a 'long American intrigue to make him "director-general" of the OEEC', Alan S. Milward, *The European Rescue of the Nation State* (London, 1992), p.324.
 49. Confidential memorandum enclosed in Braden to Bedell Smith, 27 June 1950, WBS, DDE.
 50. Nevertheless, see the excellent account of OPC-PPS linkage based on interviews in Miscamble, *George F. Kennan*, pp.199-205.
 51. Memorandum of the tripartite preliminary meetings on Items 5 and 8, MIN/TR/P/4, 9 May 1950, *FRUS*, 1950, III, p.1081; Elsey to Lloyd, 16 May 1951, enclosing special guidance memorandum by policy advisory staff, 'The Concept of Europe', 8 May 1951, *Declassified Document Reference System*, 1, 3 (1975), p.176D. Lloyd noted 'I agree, it sounds very good'.
 52. Miscamble, *George F. Kennan*, pp.284-5; minutes of a discussion between Kennan and Hayter (JIC chairman), 26 July 1949, W627/2/500G, FO 371/76383, PRO.
 53. Memorandum of a conversation between Acheson, Kennan, Spaak and Silvercruys, 19 Jan. 1950, *FRUS*, 1950, III, pp.613-14; minutes of the 7th meeting of the policy planning staff, *ibid.*, pp.617-20. See also Gillingham, *Coal, Steel, and the Rebirth of Europe*, pp.134-7, 147-8.
 54. Acting Secretary of State to Donovan, 29 Sept. 1950, Exhibit 6, Appendix IV, May 1952, WBS, DDE. On British policy during this period see also Edmund Dell, *The Schuman Plan and the British Abdication of Leadership in Europe* (Oxford, 1995), pp.90-109.
 55. Meetings of US ambassadors in Paris, 21 Oct. 1949, *FRUS* 1949, IV, pp.490-93; memorandum of a conversation between Harriman, Bruce and McCloy, 20 Jan. 1950, *FRUS*, 1950, III, pp.1608-9; meetings of US ambassadors in Rome, 22-24 Mar. 1950, *FRUS*, 1950, III, p.809.
 56. Braden, confidential memorandum on the ACUE, to Bedell Smith, 6 July 1950, WBS, DDE. In his memoirs Spaak praises Harriman as a man who was both 'discreet' and shared the 'vision of a united Europe', *The Continuing Battle: The Memoirs of a European 1936-66* (London, 1971), p.194. Katz subsequently became a Professor of International Law at Harvard University, R. Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency* (Berkeley, 1972), p.104.
 57. Gillingham, *Coal, Steel, and the Rebirth of Europe*, p.109.
 58. Braden, confidential memorandum on the ACUE, to Bedell Smith, 6 July 1950, WBS, DDE.
 59. Report to the Directors of the ACUE, by William P. Durkee, May 1952, pp.6-7, WBS, DDE, Aldrich, 'European Integration', pp.168-9.
 60. Braden to Bedell Smith, 28 Dec. 1949, WBS, DDE. On Britain's 'obstructionism' at Strasbourg in the summer of 1950 see Anderson to State Department, 31 July 1950, *FRUS*, 1950, III, pp.777-80.
 61. A copy of the Mackay Plan is available at fo. 7, file 2, group 7, Mackay Papers, British Library of Economic and Political Science (hereafter BLPEs); 'Report to the Directors

- of the ACUE', by William P. Durkee, May 1952, pp.6-7, 10-11, 14-15, WBS, DDE; minutes of the Meeting of the Executive Committee, ACUE, 20 Jan. 1950, WBS, DDE. Diary entry for 11 Sept. 1948, *Dalton Diary*, ed. Pimlott, p.440.
62. Aldrich, 'European integration', pp.168-8. The ACUE agreed on a sum of \$10,000 for Mackay to pay expenses specifically in support of getting the plan accepted, minutes of annual meeting, 24 April 1951, WBS, DDE.
 63. Retinger to Cripps, 7 Feb. 1950, UP3117/2, FO 371/88643, PRO; Hooper minutes, 8 and 10 Feb. 1950, Makins and Jebb minutes 9 Feb. 1950, *ibid.* See also Curtins to Retinger, 1 Jan. 1950, 9/1/10, Duncan Sandys Papers, CCC. The letters were eventually published by ACUE in a booklet *The Union of Europe: Declarations of European Statesmen* (New York, 1950), *ibid.*
 64. Donovan, report from Strasbourg, 5 Dec. 1951, folder 58, ACUE records, LL; 'Report to the Directors of the ACUE', by William P. Durkee, May 1952, pp.6-7, 14-15, WBS, DDE.
 65. Address by Paul-Henri Spaak, 1 April 1952, New York, folder 9, ACUE records, LL; Address by Paul van Zeeland to ACUE, New York, 4 Oct. 1949, folder 4, ACUE records, LL; Address by Paul-Henri Spaak to World Affairs Council, Seattle and the University of Washington, 26 Jan. 1951, folder 7, *ibid.* Address by Robert Schuman to ACUE, New York, 20 Sept. 1950, folder 5, *ibid.*; Address by Konrad Adenauer to ACUE, 16 April 1953, folder 11, *ibid.*; address by Guy Mollet to ACUE, 6 Sept. 1955, folder 13, *ibid.*
 66. Rebattet, 'European Movement', p.308.
 67. Publications produced by the ACUE in 1950 and 'given wide distribution to editors, educators, labour leaders, industry and government' included: *Why the United States Needs a United Europe and Britain's Problem in European Union*, see 'Program and Budget for 1950', p.5, WBS, DDE.
 68. 'Statement of General William J. Donovan, ACUE to Committee on Foreign Affairs, House of Representatives', 3 March 1950, folder 56, ACUE records, LL; Bonnet to Donovan, 26 June 1950, and attached note to Bedell Smith, WBS, DDE; ACUE newsletter, nos. 1-20, folder 64, ACUE records, LL.
 69. 'Report to the Directors of the ACUE', by William P. Durkee, May 1952, p.19, WBS, DDE, *ibid.*; Appendix IV exhibit 4, 'material published by the ACUE and Publications Distributed', *ibid.*
 70. Braden, 'Activities of the ACUE', p.13, April 1950, folder 20, ACUE records, LL; 'Report to the Directors of the ACUE', by William P. Durkee, May 1952, p.19, WBS, DDE, *ibid.*; The ACUE planned to allocate \$62,500 to research on federalism at Harvard Law School in 1952.
 71. See, for example, his studies, *Federalism: Trends in Theory and Practice* (New York, 1968); *Europe: An Emergent Nation?* (New York, 1969). On Friedrich's ideas, see in particular Simon F. Tormey, *Making Sense of Tyranny* (Manchester, 1995).
 72. Hovey to Radox, 10 July 1953, Hovey file, box 19, Friedrich Papers, HUG (FP) - 17, 12, Harvard University Archives (hereafter HUA); Hovey to Friedrich, 13 July 1953, Hovey file, box 19, Friedrich Papers, HUG (FP) - 17, 12, HUA; Friedrich to Hovey, 20 July 1953, *ibid.*; Friedrich to Hovey, 24 May 1956, *ibid.*
 73. Carl Friedrich (ed.), *The Soviet Zone of Germany* (Subcontractor's monograph, HRAF-34, Harvard-1, 1956); Friedrich to Altschud, 1 Jan. 1951, NCFE file, box 28, Friedrich Papers, HUG (FP) - 17, 12, HUA.
 74. Allen Dulles to Friedrich, 11 Jan. 1951, NCFE file, box 28, Friedrich Papers, HUG (FP) - 17, 12, HUA; Clay to Friedrich, 15 Jan. 1951, *ibid.*; Jackson to Friedrich, 31 Jan. 1951, *ibid.*
 75. Braden to Langer, 12 Jan. 1950, file: ACUE, box 9, Langer papers, HUA; Langer to Braden, 20 Jan. 1950, *ibid.*; Burkhardt to Langer, 24 July 1950, file; B-General, box

- 9, Langer papers, HUA. On Langer's career in OSS and subsequently CIA see Robin Winks, *Cloak and Gown: Scholars in America's Secret War* (London, 1987), pp.79–82, 495–6.
76. Rebattet, 'European Movement', p.34. See also Thierry Grosbois, *L'idée européenne en temps de guerre 1940–1944* (Louvain-la-Neuve, 1995).
 77. 'Report on the College of Europe' by P.C. Dodd, ACUE Scholar, June 1951, folder 1, ACUE records, LL.
 78. 'Program and Budget for 1950', p.6, WBS, DDE.
 79. Minutes of the meeting of the Executive Committee, ACUE, 11 Oct. 1950, WBS, DDE; memorandum concerning the International Campaign for the Creation of a European Council of Vigilance, 1950, *ibid.*; minutes of the meeting of the Executive Committee, ACUE, 11 Oct. 1950, *ibid.*; 'Report to the Directors of the ACUE', by William P. Durkee, May 1952, pp.11–12, *ibid.*
 80. Donovan to Bedell Smith, 25 July 1951, WBS, DDE. German activities included an ACUE-sponsored German-Europe conference at Hamburg in November 1951, minutes of the meeting of the Executive Committee, ACUE, 11 Oct. 1950, WBS, DDE, pp.12, 17–18. On worries over Germany, see Leffler, *A Preponderance of Power*, pp.318–19, 323.
 81. 'Report by M. Moreau, Secretary General of the European Youth Campaign, to the International Executive Bureau of the European Movement', BE/P/60, European Movement Archives and interview with G. Rebattet, cited in Rebattet, 'European Movement', pp.449–50. On McCloy's interest in covert activities, see Kai Bird, *The Chairman: John J. McCloy, The Making of the American Establishment* (New York, 1992), Chapter 17, 'McCloy and US Intelligence Operations in Germany', pp.345–58.
 82. BE/M/8, Luxembourg, 21 May 1948, p.2, European Movement Archives, and BE/M/14, Paris, 23 November 1953, p.3, *ibid.*, quoted in Rebattet, 'European Movement', p.201.
 83. European Youth Campaign, 1953, CCS/P/2, box 1, ACUE collection, Hoover Institute on War, Revolution and Peace, Stanford (hereafter HIWRP). Much of the youth campaign material has survived in the archives at Stanford, see, for example, *Bulletin d'Information des Jeunesses Europeenes Federalistes*, Dec. 1951, box 2; *Europa-Union*, 3 Jahrgang 1952, and *Jugend Europas*, May 1954, box 3, *ibid.*. Monnet to Donovan, 3 Oct. 1952, folder 61, ACUE records, LL.
 84. 'Reports to the Directors of ACUE', by William P. Durkee, July 1951 and May 1952, WBS, DDE. Rebattet suggest that all the resources for the European Youth Campaign came from the ACUE which acted as 'a covering organisation' for the United States government and that £444,080, was transferred for this purpose between 1 May 1951 and 31 May 1953. On this see FIN/P/6, 'European Movement: European Youth Campaign, Treasurer's Report', 1 Sept. 1953, European Movement Archives cited in, Rebattet, 'European Movement', pp.206–7.
 85. Warner, 'Eisenhower, Dulles and the Unity of Western Europe', pp.320–23, Allen Dulles succeeded Bedell Smith on 26 Feb. 1953.
 86. Chipman (HICOG) to State Department, 'Eastern Propaganda of the National Committee for a Free Europe', 15 Jan. 1953, 540.40/1–1953, RG 59, NA.
 87. Vilis Mosens (Chairman ACEN) to Philips, 13 March 1956, File: Eastern Europe/Nationalism in Europe, Labour Party International Department records (post 1947), National Museum of Labour History (hereafter NMLH); 'Proposed West European Advisory Committee', 1 Feb. 1959, Free Europe Committee file, Box 44, C.D. Jackson papers, DDE.
 88. For an example of associated publicity materials see, *L'Action Federaliste europeene*, June 1957, box 6, ACUE collection, HIWRP.
 89. Meeting of the Board of Directors, 6 June 1956, folder 91, ACUE records, LL.

90. One of his closest assistants, his principal private secretary, recalls that: 'He made it plain on many occasions that CIA or quasi-CIA funds must be avoided because of the political risks to his prestige', correspondence from François Duchêne to the author, 3 Feb. 1995. I am most grateful to François Duchêne for sharing his recollections with me.
91. Pisani, *The CIA and the Marshall Plan*, pp.47–52.
92. Rebattet, 'European Movement', p.315.
93. Bird, *The Chairman*, pp.416–17; 471–2; François Duchêne, *Jean Monnet: The First Statesman of Interdependence* (New York, 1994), p.339.
94. Kuhn memorandum, 'Non-military Activities of NATO', 9 July 1950, File: TS, Box 4, Records of the Office of European Regional Affairs (1946–53), J. Graham Parsons, Lot Files 55 D 115, RG 59, NA.
95. Ibid.; Foster to Hughes, 6 March 1959, folder 89, ACUE records, LL; ACUE was the largest financial contributor to the costs of the 1960 conference (\$32,707), Karp to Franklin, 2 Sept. 1960, enclosing Report on Second Atlantic Conference of Young Political Leaders, folder 87, ACUE records, LL.
96. White (American Committee on NATO) to Karp, 17 Sept. 1959, folder 89, ACUE records, LL. The *Economist* study cost \$11,200 to commission, 'Report to the Directors' by Foster, p.13, Oct. 1959, folder 100, ACUE records, LL.
97. 'Memorandum to the Board of Directors' by Alex Hovey, 6 April 1960, folder 94, ACUE records, LL.
98. ACUE statement of Receipts and Disbursements, 16 Feb. 1949 through 31 Jan. 1952, WBS, DDE. ACUE's budget for 1952 was \$400,000. Appendix IV, Exhibit 1, 'Report to the Directors of the ACUE', by William P. Durkee, May 1952, WBS, DDE; Bedell Smith to Donovan, 12 Jan. 1953, *ibid.* See also Alex Hovey, memorandum to the Board of Directors, 6 April 1960, folder 94, ACUE records, LL.
99. Minutes of Annual Meeting, 24 April 1951, WBS, DDE; minutes of a meeting of the Board of Directors, 6 June 1956, folder 91, ACUE records, LL.
100. Barnes, 'The Secret Cold War', pp.666–7; Pomian (ed.), *Memoirs of an Eminence Grise*, pp.216, 228, 237; Miscamble, *George F. Kennan*, p.204.
101. Connely to Bedell Smith, 16 Feb. 1952, WBS, DDE; minutes of a meeting of the Board of Directors, 6 June 1956, folder 91, ACUE records, LL.
102. Rebattet, 'European Movement', pp.314–15. Rebattet's review of documentation in the European Movement's archives shows that these contain the minutes of the ACUE Board of Directors meetings discussing funding.
103. Page to Kennan, 11 Oct. 1948, 865.00/10/1148, RG 59, NA; American Ambassador to Robert Lovett, 11 Oct. 1948, 865.00/10/1148, RG 59, NA, all quoted in Filippelli, *American Labour*, pp.150–51. Nevertheless, Gedda also appears to have had ACUE associations, see, for example, *The Union of Europe: Declarations of European Statesmen*, p.57, 9/1/10, Duncan Sandys Papers, CCC.
104. Rebattet reports that European Movement's international review, *Europe Today and Tomorrow*, was 'almost completely financed by subscriptions from the Mutual Security Agency and ACUE', 'European Unity', pp.201, 302.
105. Pomian (ed.), *The Memoirs of Eminence Grise*, p.237; retired American official in correspondence with the author, 15 July 1993.
106. On propaganda see, 'Psychological Action to Counter Totalitarian Propaganda', in record of a meeting between Acheson and de Gasperi, 24 Sept. 1951, *FRUS*, 1951, IV, pt.1, pp.685–6.
107. The figure of \$10 million is given in Simpson, *Blowback*, p.92. The most authoritative account of the elections by Miller, 'Taking off the Gloves', p.36, merely refers to 'millions of dollars'. Colby, in his memoir *Honorable Men*, pp.108–40, asserts that the 1948 elections constituted the largest OPC operation.

108. On Chile and on overall spending under Truman, see Gregory F. Treverton, *Covert Action: The Limits of Intervention in the Post War World* (New York, 1987), pp.14, 18, 41. On the funding of the American National Student Association, see Harry Howe Ransom, 'Secret Intelligence in the United States, 1947-82: The CIA's Search for Legitimacy', in Christopher M. Andrew and David N. Dilks (eds.), *The Missing Dimension: Governments and Intelligence Communities in the Twentieth Century* (London, 1984), p.212.
109. Rebattet, 'European Movement', p.48.
110. Braden to Bedell Smith, 28 Dec. 1949, WBS, DDE.
111. Minutes of the Meeting of the Executive Committee, ACUE, 11 Oct. 1950, WBS, DDE.
112. 'European Youth Campaign', CCS/P/2 1953, box 1, ACUE collection, HIWRP.
113. Rebattet, 'European Movement', pp.208-10.
114. Walter Lippens, *A History of European Integration, 1945-1947, Vol.1, The Formation of the European Unity Movement* (Oxford, 1982); Walter Lippens and Wilfried Loth (eds.), *Documents on the History of European Integration, Vol.3, The Struggle for European Union by Political Parties and Pressure Groups in West European Countries, 1945-50* (Berlin, 1988); Milward, *The European Rescue of the Nation State*, pp.14-17.
115. Marion S. Miller, 'Approaches to European Institution Building of Carlo Sforza', in Deighton (ed.), *Building Postwar Europe*, pp.55-70; minutes of the Board of Directors, 6 June 1956, folder 91, ACUE records, LL.
116. Ernest Davies memorandum, 'The Labour Party and European Co-operation', 25 April 1950, fol.31, 9/9, Hugh Dalton Papers, BLPES; 'Supplementary Report on the Second Session of the Consultative Assembly, Strasbourg', 18-24 Nov. 1950, p.20, file: United Europe 1950, box: European Unity, Labour Party International Department records, NMLH.
117. Romero, *The United States and the European Trade Union Movement*, pp.221-2; Hogan, *Marshall Plan*, p.436.
118. Gillingham, *Coal, Steel, and the Rebirth of Europe*, p.313. Spaak's attempt to associate a European Political Community with the EDC proposals of the early 1950s constitutes another example, *ibid.*, p.349.
119. Charles F. Delzell, 'The European Federalist Movement in Italy: The First Phase, 1918-1947', *The Journal of Modern History*, Sept. 1960, pp.241-50; A. Bosco, 'Federal Union, Chatham House and the Anglo-French Union', in A. Bosco (ed.), *The Federal Idea: The History of Enlightenment to 1945* (London, 1991), pp.237-62; M.L. Smith and P.M.R. Stirk (eds.), *Making the New Europe: European Unity in the Second World War* (London, 1990).
120. Bird, *The Chairman*, pp.471-2; Stephen Gill, *American Hegemony and the Trilateral Commission*, (Cambridge, 1990), pp.125, 129, 151. Gill remarks upon 'the strong connections' between Bilderberg and the European Movement, adding that two prominent Bilderberg's were former principal private secretaries to Monnet, namely François Duchêne and Georges Berthoin. For an unsympathetic analysis of Bilderberg see Eringer, *The Global Manipulators*.
121. Eringer, *Global Manipulators*, pp.22-54; Pomian, *Eminence Grise*, pp.250-59; Gill, *Trilateral Commission*, pp.151-5; Philip M. Williams, *The Diary of Hugh Gaitskell, 1945-1956* (London: Cape, 1983) pp.542, 585. Former members of the British clandestine services who had worked with the Americans were well represented at Bilderberg in the 1950s and included Victor Cavendish-Bentinck, Christopher Foster, Hugh Gaitskell, Sir Colin Gubbins and H. Montgomery Hyde.
122. Despite the recent commendable decision to release CIA material relating to some post-war covert actions, this will not extend to ACUE material. In a response to a

request by the author the CIA's Centre for the Study of Intelligence searched their archives for further material and replied that they had 'nothing unclassified available', David D. Gries, Director CSI, to author, 2 March 1994.

123. Questions about operations inside the United States were initially raised by Sol Stern, 'NSA and the CIA', *Ramparts*, V (1967), 29-38. See also Trevorton, *Covert Action*, pp.237-8; Rhodri Jeffreys-Jones, *The CIA and American Democracy* (New Haven, 1989), pp.156-63; Loch K. Johnson, *America's Secret Power: The CIA in a Democratic Society* (New York, 1989), pp.102-3. On the question of legality, see Ranelagh, *The Agency*, pp.270-71.